



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF THE PETITION OF ATLANTIC	)	ORDER DESIGNATING
CITY ELECTRIC COMPANY FOR APPROVAL OF ITS	)	COMMISSIONER AND
PROGRAM TO DEVELOP A BATTERY ENERGY	)	SETTING MANNER OF
STORAGE SYSTEM, TO AUTHORIZE A RELATED	)	SERVICE
COST RECOVERY MECHANISM, AND OTHER	)	
RELATED APPROVALS		

DOCKET NO. EO26070402

Parties of Record:

Anne Bancroft, Esq., Vice President & General Counsel, Atlantic City Electric
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On July 23, 2026, Atlantic City Electric ("ACE" or the "Petitioner") filed a petition with the New Jersey Board of Public Utilities ("Board"),¹ pursuant to N.J.S.A. 48:2-23, N.J.S.A. 48:3-98.1, and N.J.A.C. 14:1-5.12, and such other related and relevant statutes and regulations, seeking approval of a proposed battery energy storage system ("BESS") project ("Project"). ACE asserts that the Project is designed to support affordability, strengthen grid reliability, and help address the regional energy supply challenges driving higher electricity costs for customers.

BACKGROUND AND PROCEDURAL HISTORY

ACE is a regulated electric utility headquartered in Mays Landing, New Jersey. ACE provides electric service to approximately 576,000 customers in Southern New Jersey, including portions of Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem Counties. ACE operates as a subsidiary of Exelon Corporation, a utility holding company that serves approximately ten (10) million electric and natural gas customers through six (6) regulated

¹ With ACE's consent, the Board Secretary deemed the effective filing date of the petition as August 8, 2026. See In re the Petition of Atlantic City Electric Company for Approval of Its Program to Develop a Battery Energy Storage System, to Authorize a Related Cost Recovery Mechanism, and other Related Approvals, BPU Docket No. EO26070402, Secretarial Letter dated July 24, 2026.

transmission and distribution utility subsidiaries in the United States.

The Petitioner seeks (1) a determination that the Project constitutes a permitted public utility investment, and (2) approval of a cost recovery framework for Project-related costs. The Petitioner asserts that New Jersey is experiencing an energy crisis requiring immediate action by the Board. In support of its Petition, ACE cites Governor Sherrill's Executive Order No. 2, which declared an electricity affordability emergency in New Jersey and identified solar generation and battery energy storage as critical resources for addressing electricity supply shortages. The Petitioner further asserts that it has experienced challenges in meeting growing energy demand within its service territory and cites an approximately seventeen (17) percent increase, or approximately \$28 per month, in customer bills during the summer of 2025.

To address these challenges, the Petition proposes the development, construction, and operation of a BESS of up to 500 megawatts ("MW") with four-hour duration on ACE-owned property in Pittsgrove Township, Salem County, New Jersey (the "Project"). The Petitioner asserts that the Project represents a viable near-term strategy to align with the goals of Governor Sherrill's Executive Order No. 2, address peak demand, enhance system reliability, facilitate the integration of additional renewable energy resources, and mitigate customer bill impacts. The Project would utilize rechargeable lithium iron phosphate batteries.

The Petitioner estimates that the Project would take approximately 36 months to complete and could achieve commercial operation in late 2030, subject to the timing of the interconnection process. The Petitioner further states that, upon commencement of commercial operation, Invenergy, the Petitioner's operations and maintenance manager, would be responsible for operating and maintaining the facility. The Petitioner states that customers would not experience bill impacts associated with Project costs for a period of five (5) years following commencement of operations. The Petitioner also cites a benefit-cost analysis prepared by Company Witness Giovannini, which estimates that customers would receive \$1.36 in benefits for every \$1.00 invested in the Project.

The Petitioner intends for the Project to participate in the PJM Interconnection, LLC ("PJM") wholesale market and to sell the energy, capacity, and ancillary services associated with the Project. The Petitioner asserts that participation in the PJM wholesale market could provide reliability and affordability benefits to customers. The Petitioner further proposes to include the Project in ACE's rate base and recover the Project's capital costs and ongoing operations and maintenance ("O&M") expenses through a monthly surcharge on customers' bills.

Accordingly, the Petition requests that the Board approve the proposed Project investment and the associated cost recovery mechanism, including deferred accounting treatment and the return on equity to be applied if the Project proceeds to commercial operation. The Petition further states that ACE intends to submit a subsequent cost recovery filing consistent with the mechanism for which it seeks approval in this proceeding.

On September 4, 2026, Board Staff ("Staff") issued a letter finding that ACE's Petition was administratively deficient and requested that ACE cure the deficiencies at their earliest convenience.²

² See In re the Petition of Atlantic City Electric Company for Approval of Its Program to Develop a Battery Energy Storage System, to Authorize a Related Cost Recovery Mechanism, and other Related Approvals, BPU Docket No. EO26070402, Staff Letter dated September 4, 2026.

DISCUSSION AND FINDINGS

The Board has determined that the Petition should be retained for hearing if and when ACE submits a version that Staff determines is administratively complete. Accordingly, as authorized by N.J.S.A. 48:2-32, the Board **HEREBY DESIGNATES** Commissioner Emma Rebhorn as the presiding Commissioner for the Petition, who is authorized to rule on all motions that arise during the pendency of this proceeding and establish or modify any schedules that may be set as necessary to secure just and expeditious determination of the issues.

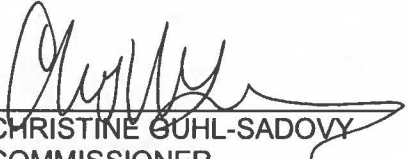
In addition, pursuant to the Board's Order dates March 19, 2020 and June 10, 2020, the Board **HEREBY DIRECTS** all parties to serve all documents electronically.³ No hard copies shall be filed until the Board lifts the restrictions imposed in those Orders.

This Order shall be effective on September 9, 2026.

DATED: September 9, 2026

BOARD OF PUBLIC UTILITIES
BY:


BENJAMIN HERTZ-SHARGEL
PRESIDENT

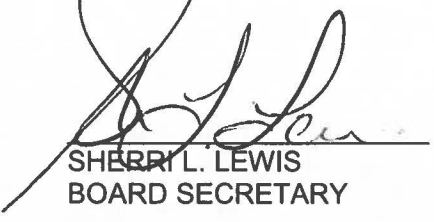

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COMMISSIONER


MICHAEL BANGE
COMMISSIONER


EMMA REBHORN
COMMISSIONER


JOSEPH COVIELLO
COMMISSIONER

ATTEST:


SHERRIL L. LEWIS
BOARD SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public Utilities.

³ In re the New Jersey Board of Public Utilities' Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations, BPU Docket No. EO20030254, Orders dated March 19, 2020 and June 10, 2020.

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APPROVAL OF ITS PROGRAM TO DEVELOP A BATTERY ENERGY STORAGE SYSTEM,
TO AUTHORIZE A RELATED COST RECOVERY MECHANISM, AND OTHER RELATED
APPROVALS

DOCKET NO. EO26070402

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